

DE News

May 29, 2002 - Iowa Department of Education - Ted Stilwill, Director

Legislators in the Second Special Session yesterday passed two budgets -- one to fix the projected budget shortfall for this current fiscal year, and the other to reduce the Fiscal 03 budget in anticipation of a \$220 million shortfall. Governor Vilsack is expected to act on the bills within the next few days.

As expected, the current-year budget fix comes from \$105 million in economic emergency funds, \$84 million in cash reserve funds and \$30 million in miscellaneous funding. That formula keeps about 4% to remain in reserves, which allows the state to continue to pay its remaining Fiscal 02 bills on time.

The Fiscal 03 reductions -- for the budget that goes into effect July 1 -- includes several across-the-board cuts, the elimination of several programs, and postponement of others. Education items on the reduction/elimination list (compared to the budget passed at the close of the regular session) include:

- K-12 Technology -- eliminated (was at \$5.7 million)
- Community College Technology -- eliminated (was at \$3 million)
- Vision Iowa School Infrastructure -- eliminated for FY 03 (was at \$20 million)
- School to Work -- eliminated (was at \$185,212)
- Vocational Education Youth Organization -- eliminated (was at \$84,920)
- Americorps After School Programs -- eliminated (was at \$142,114)
- Jobs for America's Grads -- eliminated (was at \$136,552)
- Vocation Education Youth Organizations -- eliminated (was at \$81,630)
- Vocational Rehabilitation -- reduced by an additional \$107,000
- Community Empowerment/Early Childhood -- reduced by an additional \$308,736
- K-12 State Foundation Aid -- remains at \$1.7 billion (\$59 million increase over last year)
- Community College State Aid -- remains at \$138,585,680 (\$1 million increase over last year)
- Teacher Quality and Student Achievement -- remains at \$40 million
- Class Size Reduction -- remains at \$30 million
- Phase III/Educational Excellence -- remains at \$9 million
- Vocational Education/Secondary -- remains at \$3 million
- Corrections Education -- remains at \$100,000 (down \$2.8 million from FY02)
- Dept. of Education Administration -- reduced by an additional \$113,642 (down \$641,296 from initial FY 02 appropriation)

Governor Vilsack has indicated he will sign the bills, even though his own Fiscal 03 budget proposal had called for fully funding state agencies and programs with Road Use Tax funds to avoid implementing these reductions. There may be a possibility that some portions of these appropriations bills might still be line-item vetoed. The Governor has said signing the budgets is preferable to causing any delays through vetoes, because the budget needs to be ready to implement July 1.

Governor Vilsack also has cautioned Iowans to recognize that the state's budget challenges are projected to continue for the next 12 to 18 months. Well over half the states in the country are experiencing the same or worse revenue projections. Iowans must be prepared to work together and cooperatively to ensure that quality of life is maintained -- particularly for vulnerable populations such as children -- as we move through this economic downturn and into recovery.

That call for cooperation is especially relevant to our educational system -- public school districts, AEAs and community colleges. Many of us have experienced budget challenges, and it is incumbent upon all to provide leadership to the districts who are struggling with decisions about services and students.

ICN for No Child Left Behind

Educators and administrators are invited to an ICN session at 10 a.m. Thursday, June 6, for a discussion about the state's Consolidated Plan Application to No Child Left Behind. Sites include Storm Lake CC, Cedar Rapids CC2, Des Moines State Library 1, Clear Lake AEA, and Ottumwa AEA.

NEXT DE Furlough Friday Afternoon, June 7

To help reduce expenses and balance the FY02 budget, the Department and Board of Educational Examiners will be on furlough Friday, June 7, beginning at noon. The furlough applies to all employees in the Grimes Building. We apologize for any inconvenience this may cause to our customers and clients.

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Iowa Department of Education Mission:

"Helping communities meet the learning needs of all of their children and adults"

DE News provides timely information about legislative and policy issues, grants and funding, trends in education, and other items of immediate interest to Iowa educators and policymakers. Contact: Kathi Slaughter, Iowa Department of Education, 515/281-5651 or kathi.slaughter@ed.state.ia.us